



STRENGTHENING SOCIAL SECURITY: WHAT THEY'RE SAYING

Treasury Department Hosts Economic Roundtable, "The Need to Strengthen Social Security"

Secretary John W. Snow today welcomed leading economists and policy experts to the Treasury Department for a roundtable event, "The Need to Strengthen Social Security." Highlights of this morning's discussion include:

"Some of the sharpest economic minds in the country are here to discuss the most pressing and exciting economic issue of the day: saving and strengthening our nation's Social Security system. The system is financially unsustainable, and America knows it. ... The Social Security trustees report, after all, cannot be denied. The work of non-partisan actuaries shows that Social Security cash flows peak in 2008 and turn negative in 2017. The trust fund itself will be exhausted in 2041. The unfunded obligation is a staggering \$11.1 trillion on a permanent basis, and \$4 trillion over the next 75 years. ... The President's indexing proposal is an approach that is socially just while also being financially responsible, bringing the program about 70 percent of the way toward solvency. I know he is looking forward to working with Congress to bring the program all the way to 100 percent, permanent solvency." *–Treasury Secretary John W. Snow*

"We now have the opportunity to make changes in the program that will serve us better and with less uncertainty in the future... Doing nothing is not a real option. In fact, it ultimately would lead to a precipitous decline in benefits when the program reached insolvency. Any major changes in retirement plans need to be made well in advance so that workers have time to adjust their work plans and savings." *–Dr. June O'Neill, former Director of the Congressional Budget Office*

"The window here is closing... The window closes in 2007. That's the last time. No one, other than a second-term president will ever tackle this issue. They cannot withstand the effective election contest. It's just too hard. I think President Bush has shown a lot of courage in taking this on in his second term.... So, think about it, in 2015, if we have another second-term president, he couldn't touch the benefits of those of anyone before 2022. By that time, most of the baby boomers are in retirement." *–Bob Pozen, Chairman, MFS Investment Management*

"This nation as a nation is not matching its Social Security retirement liabilities with assets. The assets simply are not there for the promised retirement benefits of the Social Security system. The urgent question is how to get them there. To be sure, there are many possibilities. But one that is consistent with a society based on the concept that owners of their own futures are happier, more secure people, is allowing people to save for their retirement outside the current Social Security system perimeters. The benefits of this system include the whole constellation of psychic and material rewards that go with ownership of one's own assets. They include the possibility of getting a higher rate of return on savings than is presently available within the Social Security system for most Americans." *–Ben Stein, renowned author, economist, lawyer, and entertainer*

"Voluntary PRA's [Personal Retirement Accounts] give younger workers the opportunity to invest and watch it grow over time which the government can never take away. I think all workers should have the opportunity, not just federal employees." *–Harvey Rosen, Chairman, Council of Economic Advisers*

"A complete fix based on progressive benefit growth, similar to the (Robert) Pozen formulation, and personal accounts will return the system to permanent cash surpluses within the actuaries' 75-year valuation window." *–Chuck Blahous, Special Assistant to the President for Economic Policy*